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GOVERNMENT OF INDIA

MINISTRY OF COMMERCE

RESOLUTIONS

TARIFFS

New Delhi, the 4th November, 1948.

No. 218-T/II(4)/48.—In their Resolution No. 218-T(55)/45, dated the 15th March, 1947, the Government of India referred to the Tariff Board a claim to protection received from the Motor Vehicle Battery Industry. The terms of reference to the Tariff Board are contained in paragraph 5 of Commerce Department Resolution No. 218-T(55)/45, dated the 8rd November, 1945.

2. The Board, having considered this claim, has submitted its report to Government. The Board considers that the motor vehicle battery industry is conducted on sound lines and that the development of the industry is in the interest of the nation. The following are the main recommendations of the Board:—

- (1) A protective duty of 80 per cent *ad valorem* should be imposed on imports of motor vehicle batteries from the U.K. and it should remain in force for a period of 8 years. If the existing preferential margins in favour of U.K. and Burma are to be maintained under the provisions of the Indo-British Trade Agreement of 1939, and the Indo-Burma Trade Agreement of 1941, the duties should be 90 per cent *ad valorem* (Standard), 80 per cent *ad valorem* (U. K.) and 68 per cent *ad valorem* (Burma). If however, the General Agreement on Tariffs and Trade concluded at Geneva is brought into effect the duties should be 80 per cent *ad valorem* (Standard) 80 per cent *ad valorem* (U.K.) and 68 per cent *ad valorem* (Burma).
- (2) The same rate of protective duty should be levied on imports of plates for motor vehicle batteries.
- (3) Should unforeseen circumstances cause a serious fall in the price of imports, the indigenous industry may apply to Government for a review of the case and adjustment of duty under Section 4(1) of the Indian Tariff Act.
- (4) If the protective duty is imposed the following new head should be opened in the Tariff Schedule:—

Batteries for motor vehicles (including those batteries which are inter-changeable for automobile purposes on the one hand and Radio, Telephone and Telegraph on the other) and plates for these batteries.

Protective.	90%	80%	68%	3
	<i>ad val.</i>	<i>ad val.</i>	<i>ad val.</i>	years

and the existing tariff item 75(1) should be amended to exclude motor vehicle batteries and plates therefor.

- (5) Quantity and value of imported motor vehicle batteries should be separately recorded in the Annual Statement of Sea-Borne Trade.
- (6) The continuance of the present import control, though it may be necessary for conserving foreign exchange resources, will not be required as a means of protecting the industry.
- (7) The Council of Scientific and Industrial Research should be asked to take steps to have asbestos reported to be available in Mysore and Saraikella processed for the manufacture of containers.
- (8) Extensive experiments with varieties of wood suitable for separators should be undertaken at the Forest Research Institute, Dehra Dun, in collaboration with the principal battery manufacturers in the country.
- (9) Government should give all facilities for the procurement of raw materials, imported as well as indigenous by the manufacturers of motor vehicle batteries.
- (10) All battery manufacturers in India should be required to label their products "Made in India".
- (11) The industry should take immediate steps to evolve and adopt, in consultation with the Indian Standards Institution, suitable standard specifications for motor vehicle batteries as well as containers.
- (12) Indian battery manufacturers should take immediate steps to introduce maximum economy in the use of lead and make every effort to train up the workers, so as to attain a higher output per worker and thus reduce the labour cost per battery.
- (13) In case the two foreign companies, namely Chloride Storage and General Motors, expand their production of batteries to the serious detriment of the Indian manufacturers, Government should adopt necessary measures to safeguard the Indian Section of the industry. Government should also enunciate, at an early date, their policy regarding the employment of foreign capital and enterprise in this country."

3. The Government of India, after careful consideration of the Board's report, feel that imports of motor vehicle batteries should be allowed as freely as our international balance of payments position would permit—*vide* recommendation (6). With this end in view they have decided to accept recommendations (1) and (2) in order to enable the indigenous manufacturers to compete effectively with importers and take necessary steps to increase their output. The existing standard rate of 50 per cent *ad valorem* and the preferential rates of 42½ per cent. on manufactures of U.K. will accordingly be replaced with the concurrence of the Legislature, by protective duties of 80 per cent. and 80 per cent *ad valorem* respectively when a bill to implement the recommendations of the Tariff Board, as accepted by Government in the light of their obligations under the General Agreement on Tariffs and Trade is introduced at the next session of the Central Legislature. The preferential rate applicable to imports from Burma will be notified when necessary. These protective duties will remain in force upto the 31st March, 1950.

4. The industry may approach Government when necessary with reference to recommendation (8).

5. The Government of India also accept recommendations (4) (with the necessary change in rate), (5) and (7) in paragraph 2 of this Resolution and steps are being taken to implement them.

6. As regards recommendations (8) and (9) Government will, so far as possible, grant the requisite facilities whenever they are approached by the manufacturers.

7. The Government of India wish to draw the attention of the industry to recommendations (10), (11) and (12) contained in paragraph 2 of this Resolution and expect the industry to take necessary steps to implement them.

8. Government are also prepared to assist the industry in all practicable ways if the situation envisaged in recommendation (13) in paragraph 2 of this Resolution arises.

9. A notification under Section 2 of the Protective Duties Act, 1946, is however immediately being issued, imposing on the articles in question *ad valorem* duties at the rates of 87½ per cent (standard) and 80 per cent. (preferential) pending the introduction of the legislation contemplated in paragraph 8 above.

### ORDER.

ORDERED that a copy of this Resolution be communicated to all Provincial Governments, all Chief Commissioners, Ministry of External Affairs (External Affairs Wing), Ministry of External Affairs (Commonwealth Relations Wing) and the several Ministries of the Government of India, Prime Minister's Secretariat, Cabinet Secretariat, the Private and Military Secretaries to His Excellency the Governor-General, the Central Board of Revenue, the Auditor General, the Director-General of Employment and Resettlement, the Director-General, Industry and Supply, the High Commissioner for India in London, the Economic Adviser to the Government of India, the Director General of Commercial Intelligence and Statistics, Calcutta, the Indian Trade Commissioner, London, the Indian Trade Commissioners at New York, Buenos Aires, Toronto, Alexandria, Colombo, Paris, Mombasa, Tehran and Sydney, His Majesty's Senior Trade Commissioner in India, the United States Embassy, New Delhi, the Canadian Trade Commissioner in India, the Australian Trade Commissioner in India, Norwegian Consul General, Bombay, the High Commissioner for India in Pakistan, Karachi, the High Commissioner for Pakistan in India, New Delhi, the Secretary Indian Tariff Board, Bombay, and all recognised Chambers of Commerce and Associations.

ORDERED that a copy be communicated to the Government of Burma.

ORDERED also that it be published in the *Gazette of India*.

**No. 218-T(68)/47.**—The Government of India have been considering whether, in the light of Ministry of Industry and Supply Resolution No. 1(3)-44(18)/48, dated the 6th April 1948, and the various representations that have been received, it is desirable to make any further announcement in regard to their tariff policy at this stage in continuation of the Department of Commerce Resolution No. 218-T(55)/45, dated the 3rd November 1945. They have come to the conclusion that the conditions in the country are by no means such as would enable any long term policy being now enunciated. Nevertheless, in view of the importance which the industries named in paragraph 7 of the Ministry of Industry and Supply Resolution referred to above have in the national economy, they feel that even an indication of their short term policy with reference to these industries which might involve a large initial capital outlay would on the whole be beneficial. Pending the formulation of a tariff policy appropriate to the long term needs of the country and the establishment of a permanent machinery for the purpose, Government have decided that the industries named in paragraph 7 of the Industry and Supply Ministries Resolution referred to above should be dealt with on the same basis as industries which have been started or developed in war time, covered by the late

Department of Commerce Resolution No. 218-T(55)/45, dated the 8rd November 1945. They will accordingly have any reasonable claims, from these industries, to assistance or protection investigated by the Tariff Board. In such cases, the Board will be asked to report, after such examination as it considers necessary, whether the industry satisfies the following conditions:—

- (1) that it is established and conducted on sound business lines; and
- (2) (a) that having regard to the natural or economic advantages enjoyed by the industry and its actual or probable costs, it is likely within a reasonable time to develop sufficiently to be able to carry on successfully without protection or State assistance; or
- (b) that it is an industry to which it is desirable in the national interest to grant protection or assistance and that the probable cost of such protection or assistance to the community is not excessive;
- (3) where a claim to protection or assistance is found to be established i.e. if condition (1) and condition (2) (a) or (b) are satisfied, the Board will recommend:—
  - (i) whether, at what rate and in respect of what articles, or class or description of articles, a protective duty should be imposed;
  - (ii) what additional or alternative measures should be taken to protect or assist the industry; and
  - (iii) for what period, not exceeding three years, the tariff or other measures recommended should remain in force.

In making its recommendations the Board will give due weight to the interests of the consumer in the light of the prevailing conditions and also consider how the recommendations affect industries using the articles in respect of which protection is to be granted.

#### ORDER.

ORDERED that a copy of this Resolution be communicated to all Provincial Governments, all Chief Commissioners, Ministry of External Affairs (External Affairs Wing), Ministry of External Affairs (Commonwealth Relations Wing) and the several Ministries of the Government of India, Prime Minister's Secretariat, Cabinet Secretariat, the Private and Military Secretaries to His Excellency the Governor-General, the Central Board of Revenue, the Auditor General, the Director General of Employment and Resettlement, the Director General, Industry and Supply, the High Commissioner for India in London, the Economic Adviser to the Government of India, the Director General of Commercial Intelligence and Statistics, Calcutta, the Indian Trade Commissioner, London, the Indian Trade Commissioners at New York, Buenos Aires, Toronto, Alexandria, Colombo, Paris, Mombasa, Tehran and Sydney, His Majesty's Senior Trade Commissioner in India, the United States Embassy, New Delhi, the Canadian Trade Commissioner in India, the Australian Trade Commissioner in India, Norwegian Consul General, Bombay, the High Commissioner for India in Pakistan, Karachi, the High Commissioner for Pakistan in India, New Delhi, the Secretary Indian Tariff Board, Bombay, and all recognised Chambers of Commerce and Associations.

ORDERED that a copy be communicated to the Government of Burma.

ORDERED also that it be published in the *Gazette of India*.

## NOTIFICATION

## TARIFFS

*New Delhi, the 4th November 1948*

**No. 218-T/II(4)/48.**—In exercise of the powers conferred by section 2 of the Protective Duties Act, 1948 (XVII of 1948), the Central Government is pleased to order that as from 4th November, 1948, the rates at which the Customs duties [inclusive of the duties imposed by the Indian Tariff Act, 1934 (XXXII of 1934)], shall be imposed on the articles specified in Column (1) of the table annexed hereto, shall be as specified in Column (2) of the said table.

*Table*

Articles	Rates of total duty	
	Standard rate of duty.	Preferential rate of duty if the article is the produce or manufacture of the United Kingdom
(1)	(2)	
Batteries for motor vehicles (including those batteries which are interchangeable for automobile purposes on the one hand and radio, telephone and telegraph on the other) and plates for those batteries, assessable under item 75 (1) of the First Schedule to the Indian Tariff Act, 1934 (XXXII of 1934).	87½ per cent <i>ad valorem</i>	80 per cent <i>ad valorem</i>

S. RANGANATHAN, Joint Secy.

